

Date Mailed  
February 22, 2002

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Approval of Affiliated Interest Transactions Between W.E.  
Power, LLC; Wisconsin Electric Power Company; and Wisconsin  
Energy Corporation 05-AE-109

Application of Wisconsin Electric Power Company; Wisconsin  
Energy Corporation; and W.E. Power, LLC; for a Certificate of  
Public Convenience and Necessity for Construction of Two Large  
Electric Generation Facilities, the Port Washington Generating  
Station, and Associated High Voltage Transmission and Natural  
Gas Interconnection Facilities to be Located in Ozaukee County 05-CE-117

Application of Wisconsin Electric Power Company; Wisconsin  
Energy Corporation; and W.E. Power, LLC; for a Certificate of  
Public Convenience and Necessity for Construction of Three Large  
Electric Generation Facilities, the Elm Road Generating Station,  
and Associated High Voltage Transmission Interconnection  
Facilities to be Located in Milwaukee and Racine Counties 05-CE-130

Application of Wisconsin Gas Company, as a Gas Public Utility,  
for Authority to Construct a High-Pressure Natural Gas Line in  
Washington and Ozaukee Counties, Wisconsin 6650-CG-211

Application of American Transmission Company for a Certificate  
of Authority to Rebuild and Upgrade Certain Transmission System  
Facilities to Support the Port Washington Generating Station 137-CE-104

**NOTICE OF PROCEEDING, ASSESMENT OF COSTS  
AND PREHEARING CONFERENCE**

<b>Prehearing Conference Date:</b>	<b>Tuesday, March 5, 2002 – 1:30 p.m.</b>
<b>Prehearing Conference Location:</b>	<b>Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1<sup>st</sup> Floor)</b>
<b>Motions to Intervene Due:</b>	<b>Thursday, March 7, 2002</b>
<b>Applications for Intervenor Compensation Due:</b>	<b>Wednesday, March 20, 2002</b>

**THIS IS A PROCEEDING TO** consider the following applications: (1) application of W.E. Power and Wisconsin Electric Power Company (WEPCO) for a Certificate of Public Convenience and Necessity (CPCN) to construct and place in operation approximately 1,090 MW of combined-cycle gas-based generating capacity at the Port Washington Power Plant site; (2) application of Wisconsin Gas Company (WGC) for a Certificate of Authority (CA) to construct and place in operation a natural gas pipeline lateral to transport natural gas from the ANR gate station to the Port Washington Power Plant site, where that gas will be used to fuel the proposed generating capacity and reinforce the gas distribution system in the Port Washington area; (3) application of the American Transmission Company (ATC) for a CA to make transmission upgrades to support the new generating units at Port Washington; (4) application of W.E. Power and WEPCO and for a CPCN to construct and place in operation approximately 1,830 MW of advanced technology coal-based generating capacity at the Elm Road Power Plant site; and (5) approval of a series of affiliated interest agreements between WE and the project companies in which W.E. Power has a majority ownership interest.

Copies of the construction applications are available for public review at public libraries throughout the project area. Copies of the construction applications are also available at the office of the clerks for each county, town, village, and city within close proximity of the project area.

### **Project Need**

Wisconsin Energy Corporation (WEC) and its wholly-owned subsidiaries W.E. Power, WEPCO, and WGC are proposing to construct five new generating units over the next decade. The new generating facilities would be constructed by W.E. Power and owned by W.E. Power and affiliates of other interested Wisconsin utilities. The new generating units would be leased by WEPCO and other interested Wisconsin utilities. Employees of WEPCO would operate the facilities.

If approval is received to construct these five new generating units, electric and natural gas transmission upgrades will be needed to support the new units at Port Washington and Elm Road. Electric transmission improvements needed to support the Port Washington units include rebuilding the two Port Washington-Saukville transmission lines, rebuilding the Port Washington-Range Line transmission line and 138 kV substation improvements at the Port Washington, Saukville, and Range Line substations.

### **Project Location**

The Port Washington site is located at the downtown harbor area of the city of Port Washington. It is the present location of coal-based generating units owned and operated by WEPCO.

The Elm Road site consists of two alternative locations. One location for the new generating units is located along the shore of Lake Michigan in the city of Oak Creek in

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Milwaukee County. The other location is in the town of Caledonia in Racine County. Both alternative locations are on or adjacent to land occupied by the existing Oak Creek Power Plant.

The Port Washington and Saukville Substations are located in Ozaukee County and the Range Line Substation is located in Milwaukee County. The transmission lines proposed for rebuilding and improvements are located throughout several cities, towns and villages in Milwaukee and Ozaukee counties.

## **Project Review and Approval**

**NOTICE IS GIVEN** that the Commission will hold a prehearing conference on **Tuesday, March 5, 2002, at 1:30 p.m.** in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

The prehearing conference is being held to: (1) identify persons who will actively participate as full parties; (2) identify issues; (3) discuss the process for the Commission to obtain an extension of the 180-day requirement to rule on a CPCN application; (4) discuss scheduling issues; (5) any other matters that will facilitate the hearing. Commission staff anticipates a hearing on the affiliated interest issues in early September with direct testimony being filed by mid-July. The hearing for the CPCN/CA applications is anticipated to be early October with direct testimony being filed by early September. Specific public hearing dates and locations will be set in a later notice.

Parties will be bound by the designation of issues and the schedule adopted at the prehearing conference. Persons who consider themselves to be potential parties should participate in the prehearing conference. Persons who wish to become parties must request party status under Wis. Stat. § 227.44(2m) no later than Thursday, March 7, 2002. Such requests must be in writing and addressed to Administrative Law Judge David C. Whitcomb, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

If granted party status, you would have certain rights and obligations. You would be served with all legal documents in the case, such as letters, pleadings, testimony, briefs, and decisions. You would also be required to follow the Commission's rules of procedure and to provide a copy of anything you file to all other parties.

While interested participants may request to be a "party," be advised that you do not have to become a party in order to participate in the proceedings before the Commission. You can participate in the process in several ways:

- Anyone who wishes to participate in this case may do so. For example, you can testify at the public hearings and make your views part of the written record that will be reviewed by the Commissioners when they decide whether to approve or reject the Application. Under the Commission's rules, (Wis. Admin. Code § 2.32) you do not have to become a party to testify. You may participate as a "limited intervenor" simply by appearing at the hearing, giving your name and address, and asking to speak. A limited intervenor has almost all of the rights of a party, including the same ability to testify on the record as a party.
- You can also assist Commission staff in evaluating the application by:
  - Contacting Commission staff with your comments and specific concerns about how this project might affect your property or your community. Such comments should be directed to Timothy B. Jones, Case Coordinator, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, WI 53707-7854.
  - Providing written comments on the draft Environmental Impact Statement (EIS) that will be prepared to analyze the environmental issues raised by the project. Written comments on the draft Environmental Impact Statement should be addressed to Kathleen J. Zuelsdorff, WEPA Coordinator, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, WI 53707-7854

Providing comments and concerns to staff and written comments on the draft EIS will not become part of the record in the case.

Parties may begin discovery immediately. Additional procedures regarding the discovery process will be discussed at the prehearing conference. To obtain a current list of parties call Nancy Anthony at (608) 266-1261.

Pursuant to Wis. Admin. Code § PSC 3.03(1) applications for intervenor compensation must be received at the Commission by 4:30 p.m. on March 20, 2002. Requests for intervenor compensation should be addressed to Lynda L. Dorr, Secretary to the Commission, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, WI 53707-7854. Questions regarding applications for intervenor compensation should be directed to Gordon O. Grant at (608) 267-9086.

The Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the Applicants. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicants in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

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This is a Type I action under Wis. Admin. Code § PSC 4.10. This action requires that the Commission prepare an Environmental Impact Statement. Persons wishing to receive a copy of the draft Environmental Impact Statement should submit a written request to Barbara Pickhardt, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, WI 53707-7854. Persons wishing to comment or provide information on environmental aspects of this case may submit written comments to Kathleen J. Zuelsdorff, WEPA Coordinator, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854. Comments are welcome now or at any time prior to the public hearings that will be scheduled in the future.

This hearing will also meet the Department of Natural Resources (DNR's) requirements under Wis. Stat. § 1.11 and Wis. Admin. Code NR 150. Hearings on the various DNR permits needed to construct and operate these power plants may also be held. They will be noticed by DNR in the normal manner.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Annemarie Newman, Public Information Officer at (608) 266-9600.

Questions regarding this matter may be directed to case coordinator Timothy B. Jones at (608) 266-1613.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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